IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 12.10.2007

CORAM:

THE HONOURABLE MR.JUSTICE P.K.MISRA
and
THE HONOURABLE MR.JUSTICE K.MOHAN RAM

O.S.A.No.176 of 2001

T.T.K.Pharma Limited,
No.6, Cathedral Road,
Chennai-600 006. ... Appellant

vs.

Robapharam AG,
St.Alban Rheinweg,
174, CH 4006, Basel,
Rep.by its Power of
Attorney Rajendrakumar ... Respondents

Appeal under Clause 15 of Letters Patent and Order 36 Rule 11 of Original Side Rules against the order dated 31.07.1998 passed by the learned Single Judge in Application No.368/1994 in C.S.No.1148/1993.

For Appellant ... Mr.A.A.Mohan
Mr. N. A. K. Sharma, Sr Counsel

For Respondent ... Sathya Rao

JUDGMENT

P.K.MISRA,J

The present appeal is filed against the order of the learned single Judge in Application No.368/1994 arising out of C.S.No.1148/1993, wherein the learned single Judge has rejected the application filed by the present appellant and refused to stay the proceedings in such suit. C.S.No.1148/1993 was filed by the present respondent claiming for the following reliefs.

> "(a)granting a permanent injunction restraining the defendants by themselves, their servants, agents, their men of anyone claiming through them from manufacturing, marketing, distributing, offering and advertising for sale any pharmaceutical veterinary and sanitary substances, children and invalid foods, plasters

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materials for bandaging, material for staffing tooth dental wax, disinfectant, preparations for killing weeds and disharming vermin, using the name 'OSSOPAN" or any other name/Trade Mark which is in any way deceptively/phonetically similar to the Plaintiff's registered Trade Mark "OSSOPAN"registered under Registration No.129304 in Class-5, dated 13-5-1947 in part-A or in any manner infringing the plaintiff's registered Trade Mark "OSSOPAN".

(b)directing the Defendants to render a true and faithful account of profits earned by them through the manufacture and sale or all the pharmaceutical goods and directing such profits to be paid to the Plaintiff for the infringement committed by the Defendants.

(c)directing the Defendants to surrender to the Plaintiffs all the cartons, containers, labels, packers and any other printed materials containing the impugned name "OSSOPAN" together with the blocks used for the purpose of printing the same for destruction."

2.The main allegation in the suit was to the effect that the plaintiff (the present respondent) was the owner of the registered Trade Mark "OSSOPAN" and there was violation by the defendants (the present appellant). Apart from injunction, the plaintiff had also prayed for rendering of accounts and payment of compensation.

3.The present appellant in its written statement had taken the plea that an Application has been filed under Chapter-VII of the Trade and Merchandise Marks Act, 1958, hereinafter referred to as "the Act", which had been registered by the Registrar of Trade Marks, Calcutta. The main contention which had been raised therein was to the effect that Trade Mark has been registered without any bonafide intention on the part of the plaintiff for using the same and the same has not been used continuously for a period of five years or more. There was no bonafide use of such Trade Mark and therefore the registered Trade Mark should be taken off the register as contemplated in Section 46 of the Act.

4.The defendant had filed an application under Section 111 of the Act for stay of the suit as, according to the defendant, validity of registration was in question. The learned single Judge has rejected such an application and refused to stay the suit mainly on the footing that such application before the Office of the Registrar of Trade Marks, Calcutta, had been filed on 2nd November, 1992; whereas such defendant itself had filed a suit before the Madras High Court on 3rd November, 1992 and therefore, the statement made in the application before the

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Registrar that no proceedings was pending relating to Trade Mark in question was not a correct statement, inasmuch as the defendant had verified the plaint on 03.11.1992 which was presented in the Court on the same day and therefore there was suppression of material fact. Such order is being impugned in the present appeal.

5.Learned counsel for the appellant has contended that the provisions contained in Section 111(1)(a) of the Act is squarely applicable and therefore the learned single Judge had no discretion in the matter and stay should have been granted.

6.Learned counsel appearing for the respondent/plaintiff on the other hand submitted that the question of stay would arise only when the defendant pleads that the registration of the plaintiff's trade mark is invalid. But such a provision may not apply to a case where the defendant is seeking for rectification on the basis of grounds contemplated in Section 46 of the Act. It is further submitted by him that the question as to whether stay should be granted or not is essentially a matter of discretion and since the learned single Judge has exercised the discretion on account of suspicious conduct of the defendant, such order does not call for any interference. Learned counsel for the respondent has placed reliance upon the decision of the Calcutta High Court in Fosroc International Limited and another vs. The Structural Waterproofing Co.Pvt.Ltd., reported in 1993(13) PTC 61 (Cal.) in support of his contention.

7.Section 111 of the Act is extracted here under:-

> "111.Stay of proceedings where the validity of registration of the trade mark is questioned, etc.
>
> (1)Where in any suit for the infringement of a trade mark--
>
> (a)the defendant pleads that the registration of the plaintiff's trade mark is invalid; or
>
> (b)the defendant raises a defence under clause (d) of sub-section (1) of section 30 and the plaintiff pleads the invalidity of the registration of the defendant's trade mark;
>
> the court trying the suit (hereinafter referred to as the court), shall--
>
> (i)if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the High Court, stay the suit pending the final disposal of such proceedings;
>
> (ii)if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is

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prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the High Court for rectification of the register.

(2)If the party concerned proves to the court that he has made any such application as is referred to in clause (b)(ii) of sub-section (1) within the time specified therein or within such extended time as the court may for sufficient cause allow,the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3)If no such application as aforesaid has been made within the time so specified or within such extended time as the court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the court shall proceed with the suit in regard to the other issues in the case.

(4)The final order made in any rectification proceedings referred to in sub-section (1) or sub-section (2) shall be binding upon the parties and the court shall dispose of the suit conformably to such order insofar as it relates to the issues as to the validity of the registration of the trade mark.

(5)The stay of a suit for the infringement of a trade mark under this section shall not preclude the court making any interlocutory order (including any order grating an injunction, directing accounts to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit."

8.In the present case, the appellant is relying on the provisions contained in Section 111(1)(a) of the Act. Chapter-VII of the Act contains provisions relating to rectification and correction of the register. Under Section 56(1) of the Act, the High Court or the Registrar may cancel or vary the registration of a trade mark on the ground of any contravention or failure to observe a condition entered on the register in relation thereto. The power under Section 56(1) or (2) of the Act can be exercised on the basis of the application of the person aggrieved or suo-motu as contemplated in Section 56(4) of the Act. Similarly under Section 57, the Registrar may correct any error in the name of the registered proprietor of a trade mark or any other entry relating to the trade mark or even cancel the entry of a trade mark.

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9.A careful perusal of the provisions contained in Section 111 makes it clear that the question of stay would arise where in a suit for infringement of a trade mark the validity of registration of the trade mark is questioned and the proceedings for rectification by the Registrar in respect of such trade mark is pending before the Registrar or the High Court as the case may be. Chapter-II of the Act relates to the Register and conditions for registration. Section 9 contains the provision laying down the requisites for registration. Section 11 contains provisions prohibiting registration of certain marks. Sections 12 and 13 contain certain other prohibits. If there is registration in contravention of such provisions, one may contend that such registration is invalid.

10.In the present case, the contention of the defendant is not that the registration of the trade mark is invalid on account of contravention of any of the provisions contained in the Act. The main contention is to the effect that the registration should be removed from the register on account of a subsequent event, namely the fact that the owner of the registered trade marks has not used the trade mark for a continuous period of five years before the filing of the application. It is therefore rightly contended that the validity or invalidity of the registration is not in question as such, but the question is as to whether such trade mark should be removed from the register because of the subsequent event. The said contention raised by the counsel for the respondent receives considerable support from the decision of the Calcutta High Court referred to supra.

11.Learned counsel for the appellant had contended that in fact the learned Single Judge was under misconception that the application for rectification was filed on 2nd November, 1992; whereas, in fact, such application was sent on 29.10.1992 and such application was taken on file and registered in the office only on 2nd November, 1992 and therefore the learned single Judge was not correct in his observation that on the date of filing of such application for rectification, the defendant was aware of the filing of a suit by itself. Even though this contention is factually correct, as, we have found, the application was signed on 29.10.1992 and sent by post, which was registered only on 2nd November, 1992. But this ground may not come to in aid of the present appellant. It is apparent that the suit filed by the present appellant in 1992 is very much interconnected with the suit filed by the present respondent in 1993. In the application for stay, the present appellant had only moved for stay of the suit filed by the present respondent. In other words, the appellant wants its suit to continue, whereas the suit filed by the present respondent, which is very much interconnected, should be stayed. Such a course cannot be permitted.

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12.For the aforesaid reasons, we do not find any merit in this appeal, which is accordingly dismissed. However, there will be no order as to costs.

gb/dpk

Sd/
Asst.Registrar

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Sub Asst.Registrar

To:

The Sub Asst Registrar,
OS, High Court, Madras.

+ 1 cc to Mr. Sathya Rao, Advocate SR No. 63420

+ 1 cc to mr. A. A. Mohan, Advocate SR No. 63095

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SR/23.10.2007

Judgment in
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